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Date: 5/10/2011

GAIN Report Number: TH1060

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1060 Despite stable domestic prices, export prices declined slightly by 1.0 percent due to the weakening of the Thai Baht to 30 baht/\$. Also, foreign buyers are still holding off on finalizing white rice contracts due to strong competition among Thai and Vietnamese rice.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending May 9, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	975	-	900	-	970	950	-	949	946
WR 100 B	490	-	520	-	500	500	495	501	501
PB 100%	505	-	520	-	505	500	505	507	509
PB 5%	500	-	515	-	500	495	500	502	504
WR 5%	470	-	500	-	483	485	485	485	484
WR 10%	465	-	485	-	466	475	-	473	473
WR 15%	460	-	475	-	-	470	-	468	468
WR 25%	445	-	-	-	-	455	-	450	453
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	415	-	430	-	430	415	-	423	425
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.0 baht/U.S.\$

Source: Average actual prices received from exporters

Despite stable domestic prices, export prices declined slightly by 1.0 percent due to the weakening of the Thai Baht to 30 baht/\$, as compared to 29.67 baht/\$ in the previous week. Also, foreign buyers are still holding off on finalizing white rice contracts due to strong competition among Thai and Vietnamese rice. Presently, Vietnamese rice prices are approximately \$5/MT above Thai rice's, as compared to \$30-40/MT below Thai rice in the previous week. Although, the biggest Thai rice exporters are fulfilling outstanding shipments of old-crop white rice to African countries, they still hold large supplies from the government's stock release last year that they must export in a six month framework or else face fines. By June, all exporters must have disposed of the stocks obtained from the government. Currently, the government is holding outstanding intervention stocks of approximately 1.5 million tons. The government's weekly benchmark price for white rice for May 9-15, 2011 increased 0.1 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Bhaanul)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^a	30 ^a	30 ^a
2. Insured prices (Bht/ton) ^b	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Bht/ton) ^{c,d}					
Apr 11-17	-	11,800	9,300	14,733	8,092
Apr 18-24	-	11,816	9,373	14,741	8,146
Apr 25-May 1	-	11,945	9,421	14,726	8,165
May 2-8	-	12,440	9,267	14,392	8,182
May 9-15	-	12,498	9,217	13,809	8,188
4. Compensation (1-2), (Bht/ton)					
Apr 11-17	-	2,500	2,200	-	2,908
Apr 18-24	-	2,484	2,127	-	2,854
Apr 25-May 1	-	2,355	2,079	-	2,835
May 2-8	-	1,860	2,233	-	2,818
May 9-15	-	1,802	2,283	-	2,812
5. Market prices (Bht/ton)					
Apr 11-17	12,825	12,000	9,100	16,250	8,150
Apr 18-24	12,750	12,250	9,100	16,250	8,150
Apr 25-May 1	12,650	12,350	9,550	16,250	8,150
May 2-8	12,650	12,650	9,550	16,250	8,150
May 9-15 ^e	12,650	12,700	9,550	16,250	8,150

Note:

^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop

^b Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

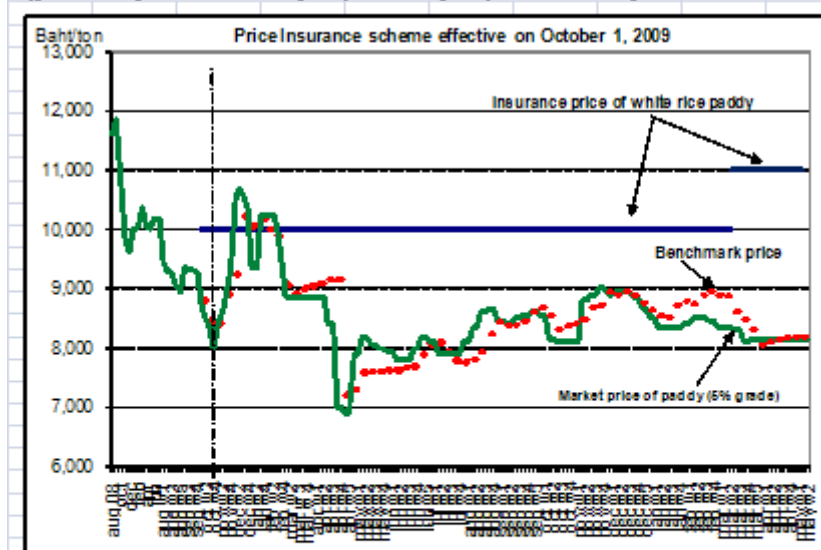
^c Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^d The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.

^e The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.

^f As of May 9, 2011.

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average intermediate wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

2/ Starting March 1, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 15th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

3/ Starting Apr. 28, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for May 2-8, 2011 totaled 233,502 tons, up 9,269 tons from the previous week, and up 33,247 tons from the four week moving average of 190,255 tons. Exports of white rice and parboiled rice during January 1 – May 8, 2011 totaled 3,523,963 tons, up 67.9 percent from 2,099,347 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – May 4, 2011 amounted to 4,088,128 tons, up 47.1 percent from 2,780,167 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)					
WEEK ENDING	QUANTITY	4-WK. AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Feb 27	187,469	196,950	1,523	1,032	47.6
Mar 6	235,443	206,525	1,759	1,171	50.2
Mar 13	232,186	211,021	1,991	1,288	54.6
Mar 20	186,887	210,496	2,178	1,409	54.5
Mar 27	190,244	211,190	2,368	1,501	57.7
Apr 3	174,121	195,860	2,542	1,601	58.8
Apr 10	220,993	193,061	2,763	1,708	61.7
Apr 17	97,067	170,606	2,860	1,774	61.2
Apr 24	226,216	179,599	3,086	1,872	64.8
May 1	214,233	189,627	3,300	1,975	67.1
May 8	223,502	190,255	3,524	2,099	67.9
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the differences between the data.</i>					
Source: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales

Movement (MT)	Apr. 18-22	Apr. 25-29 (Revised)	May 2-6 (Preliminary)
Weekly sales	241,157	313,874	123,120
4 week sum	821,491	919,173	815,393
4 week mov. avg.	205,373	229,793	203,848
Year-to-date sales	3,252,313	3,566,187	3,689,307

End of report.